

27 July 2021

Mr Warwick Anderson  
General Manager Pricing  
Australian Energy Regulator  
GPO Box 520  
Melbourne Vic 3001

Email: [AEMO2021@aer.gov.au](mailto:AEMO2021@aer.gov.au)

Dear Mr Anderson

### **AER Issues Paper – AEMO Electricity Transmission Pricing Methodology**

Energy Networks Australia (ENA) welcomes the opportunity to provide a response to the Australian Energy Regulator (AER) Issues Paper on the Australian Energy Market Operator (AEMO) – Electricity Transmission Pricing Methodology.

ENA is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

AEMO propose to amend the method of setting locational charges from the MD10 approach to the 365 day method. ENA support the approach as it aligns with the approach taken by other TNSPs and allows locational prices to better reflect times of greatest use of the transmission network, and for which network investment is most likely to be contemplated.

AEMO propose not to charge energy storage systems for either charging or discharging with some exceptions. ENA agree with the approach and the exceptions to the exemption outlined in the AEMO transmission pricing methodology. However, ENA consider that there is benefit in clarifying in the methodology that the proposal not to charge energy systems, for either charging or discharging when connected on the transmission system, only applies when the generating unit is scheduled or semi scheduled and not receiving prescribed transmission services.

AEMO has recently requested the AER to expedite its process and make a final decision on the Transmission Pricing Methodology in December 2021 rather than as planned on 29 April 2022. AEMO advise the expedited process will allow AEMO to publish the Victorian transmission charges at the same time as interstate Transmission Network Service Providers (TNSPs) on 15 March each year (rule 6A.24.2 (c) (1)). ENA support AEMO's proposal for an earlier decision on the pricing methodology and alignment of transmission charges publication dates.

Should you have any queries on this response please feel free to contact Verity Watson,

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Yours sincerely,

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Jill Cainey

General Manager Networks